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**巨騰國際控股有限公司**  
**JU TENG INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 3336)

**DISCLOSEABLE TRANSACTION**  
**COMPENSATION FOR RELOCATION OF PLANT**

On 27 April 2012, Compal Precision entered into the Compensation Agreement with the Council, pursuant to which Compal Precision has agreed to surrender its land use rights in respect of the Land to the Council, and the Council has agreed to make the Relocation Compensation of RMB224.92 million to Compal Precision covering, among others, its relocation costs and losses arising from such surrender and the relocation of the Plant.

Since the relevant applicable ratio is more than 5% but less than 25%, the transaction contemplated under the Compensation Agreement constitutes a discloseable transaction under the Listing Rules.

**INTRODUCTION**

The Board announces that on 27 April 2012, Compal Precision entered into the Compensation Agreement with the Council, pursuant to which the Council has agreed to make the Relocation Compensation of RMB224.92 million to Compal Precision covering, among others, its relocation costs and losses arising from such surrender and the relocation of the Plant.

**THE COMPENSATION AGREEMENT DATED 27 APRIL 2012**

**Parties**

- (i) Compal Precision; and
- (ii) The Council

The Directors confirmed that, to the best of their knowledge, information and belief, having made all reasonable enquiry, the Council and its ultimate beneficial owner (if any) are third parties independent of the Group and its connected persons.

## **Compensation**

The sum of Relocation Compensation to be received by Compal Precision will be RMB224.92 million, being the compensation for the surrender of the Land and the losses of the buildings and other fixtures and facilities erected and constructed on the Land, the costs to be incurred for relocation of the Plant, potential business loss and the costs for disposal of the Fixed Assets.

The Relocation Compensation shall be payable to Compal Precision by the Council in cash in the following manner:

- (i) RMB10 million thereof shall be payable within 15 days of signing of the Compensation Agreement;
- (ii) RMB30 million thereof shall be payable when the New Plant has been constructed above the ground surface level;
- (iii) RMB30 million thereof shall be payable upon completion of the construction of the New Plant;
- (iv) RMB30 million thereof shall be payable upon completion of the installation of the manufacturing facilities at the New Plant and commencement of the trial production thereof; and
- (v) RMB124.92 million, being the remaining balance of the Relocation Compensation, shall be payable before 30 June 2013.

The Relocation Compensation of RMB224.92 million was determined based on assets appraisal report obtained from Zhenjiang Lixin Real Estate Appraisal Consulting Co., Ltd. (鎮江立信房地產評估諮詢有限公司), an independent valuer.

## **Completion of the Relocation**

Within 10 days of signing the Compensation Agreement, Compal Precision shall provide the land use rights certificates of the Land as specified in the Compensation Agreement to the Council. The Council shall not use such certificates as security, including mortgage, pledge and security, for obtaining any bank loans.

Compal Precision shall apply for deregistration of its land use rights of the Land before the Cut-off Date.

Notwithstanding signing of the Compensation Agreement, Compal Precision shall have the right to continue to use the Land until the Cut-off Date and shall bear the water, electricity, natural gas expenses in respect of the use of the Land before completion of the Relocation.

Compal Precision shall deliver the ownership of the Fixed Assets to the Council before the Cut-off Date and shall remove the Non-fixed Assets from the Land by the Cut-off Date. Compal Precision shall be deemed to renounce its ownership of and/or right to any Non-fixed Assets which remain on the Land after the Cut-off Date such that the Council shall have the right to deal with such Non-fixed Assets.

### **Financial effects of the Relocation**

On the basis of the Relocation Compensation to be received and the estimated net book value of RMB199.58 million of the Fixed Assets and the Non-fixed Assets which are not expected to be relocated to the New Plant as at 31 December 2012, and assuming that the Relocation will occur on 31 December 2012, the gain expected to accrue to the Group as a result of the Relocation is approximately RMB25.34 million.

### **INFORMATION ON THE PARTIES**

The Group has been principally engaged in the manufacturing and sale of notebook computer casings, parts and other related materials.

The Council is an organization established by the local government of Jurong City to develop and manage the JREDZ.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE COMPENSATION AGREEMENT**

Due to the urban planning of JREDZ, the Council plans to resume the Land and requested Compal Precision to move out from the Land. After due consideration and negotiation with the Council, the Company decided to co-operate with the Council and plans to relocate the Plant. Considering that the Relocation will result in loss on the investments in the Plant on the Land, extra costs will be incurred for the Relocation of the Plant and renovation and construction of the New Plant and there may be potential loss of business as a result of the Relocation, Compal Precision negotiated and entered into the Compensation Agreement with the Council to compensate Compal Precision for the possible loss and costs to be suffered or incurred.

The Group believes that the Relocation and entering of the Compensation Agreement are of the interest of the Group for the following reasons:

- (1) Compal Precision has two production facilities located at different parts of JREDZ. The casting of magnesium alloy parts is carried out at the Plant and the casting of plastic parts is carried out at the other production facility. A finished product may compose of both magnesium alloy and plastic components. Currently, the Group is required to transport the finish parts to one of the two facilities for surface treatment and assembly. The New Plant is at close proximity to the other production facility, as such, the manufacturing process can be centralized and could shorten the production time, enhance productivity and save the Group's transportation costs;

- (2) benefiting from the centralization and streamlining of production process, less space is required for the New Plant, and thus the land costs and construction costs can be saved in respect of the establishment of the New Plant; and
- (3) the Plant was established more than nine years ago. In light of the increasing demand of more advanced technology requirements in the Group's products by its customers, the Directors expect that the Fixed Assets cannot meet the future requirements of its customers and the Group's strategic move of focusing on development of non-plastic notebook computer casing which has a higher profit margin. The transfer of rights to the Fixed Assets pursuant to the Compensation Agreement allows the Group to dispose of the old production facilities without incurring extra costs and part of the Relocation Compensation can be used for purchase of more advanced equipment at the New Plant.

A portion of the aggregate amount of Relocation Compensation of RMB130 million is expected to be used to finance the purchase of land and equipment, construction of the New Plant and relocation of equipment with the remaining will be used as general working capital of Compal Precision.

The Directors (including the independent non-executive Directors) believe that the terms of the Compensation Agreement are fair and reasonable and are in the interests of the Group and Shareholders as a whole.

## **LISTING RULES IMPLICATION**

Since the relevant applicable ratio is more than 5% but less than 25%, the transaction contemplated under the Compensation Agreement constitutes a discloseable transaction under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Compal Precision”	Compal Precision Module (Jiangsu) Co., Ltd, a company established in the PRC which is an indirect non-wholly owned subsidiary of the Company
“Company”	Ju Teng International Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange

“Compensation Agreement”	compensation agreement entered into between Compal Precision and the Council on 27 April 2012 in respect of the Relocation
“Council”	Council of JREDZ (江蘇省句容經濟開發區管委會)
“Cut-off Date”	31 December 2012
“Director(s)”	director(s) of the Company
“Fixed Assets”	all the fixed assets at the Plant including land, building structures and the accessories thereof, wall, plantation, pipeline and facilities for electricity supply
“Group”	the Company and its subsidiaries
“JREDZ”	Jurong Economic Development Zone at Jiangsu Province
“Land”	parcels of land located at east-side plant of Ninghang North Road of the JREDZ and of approximately 96,954 square metres in size, which is used by Compal Precision for manufacturing of notebook computer casings
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Plant”	new manufacturing facility of Compal Precision to be constructed at the parcel of land which is north of Jubao Road and east of Zhiyuan Road at JREDZ
“Non-fixed Assets”	assets at the Plant other than Fixed Assets
“Plant”	manufacturing facility of Compal Precision located at the Land before the Relocation
“PRC”	the People’s Republic of China

“Relocation”	relocation of the Plant pursuant to the Compensation Agreement
“Relocation Compensation”	the compensation amounting to RMB224.92 million and to be paid by the Council to Compal Precision under the Compensation Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Ju Teng International Holdings Limited**  
**Tsui Yung Kwok**  
*Company Secretary*

Hong Kong, 27 April 2012

*As at the date of this announcement, the executive Directors are Mr. Cheng Li-Yu, Mr. Cheng Li-Yen, Mr. Huang Kuo-Kuang, Mr. Hsieh Wan-Fu, Mr. Lo Jung-Te, and Mr. Tsui Yung Kwok, and the independent non-executive Directors are Mr. Cherng Chia-Jiun, Mr. Tsai Wen-Yu and Mr. Yip Wai Ming.*